

Municipal Council Minutes
Tuesday November 28, 2006
7:00PM Town Hall Auditorium

Call to Order 7:00PM

Pledge of Allegiance – Councilor Benson

Roll Call: Hank Brennick, Ann Connolly King, Robert Lavoie, Alison Lindstrom, Donna McClure, Mario Pinierio, Michelle Thone, Roger Benson, Christopher Lawrence

Public Comment

Mayor Kezer introduces Attorney Tom Urbelis who will be presenting an a report on the Inspector General's report regarding Bailey's Pond and make an assessment as to the issues raised in the Inspector General's report, where the Town stands currently in regards to the purchase and sales agreement and what are the courses of action that should be taken whether the purchase and sale was a valid agreement or a invalid agreement. A summary of his findings are available to the council, the Mayor and the public.

Attorney Tom Urbelis presents his report (copy attached).

Councilor Thone asked Tom Urbelis what he meant in regards to rescinding the vote, "not at this time". Attorney Urbelis states he meant the same as the Inspector General; if it was four years ago and nothing else had happen and if the Amesbury Sports Park parcel had not been purchased, if there hadn't been proceedings with the expenditure of engineering fees and attorney fees by Farfard in front of the planning board the recommendation may have been significantly different from what is being recommended now and what he believes what the Inspector General recommended.

Councilor Thone states that the last item on the Attorney's list is the order to rescind and he addressed that issue. There was a lot of discussion on the council about that issue and was in fact why the Council President was going to hire an attorney. She asks the Mayor at what point did that become part of his charge. Mayor Kezer responds the charge from himself to the Attorney was to look at the IG report and assess all the issues on it; that became part of the charge because he determined it was one of the salient issues involving how to go forth.

James Chandler, 417 Main Street – Mr. Chandler asks Atty Urbelis who crafted the P& S that David Hildt signed. Atty Urbelis states he does not know. Mr. Chandler states there is no mention in the P&S about the Terresphere project being completed and no mention of a penalty if it wasn't; he asks Atty Urbelis to comment on that. Atty Urbelis states there is a passing reference to the Terresphere Project in the P&S. He assumes the P&S was not the end all document and that there were going to be other documents.

Laurie Erwin, 6 Swetts Hill – Ms. Erwin has been in conversations with Farfard for the past 3 years constantly asking them what their intention are for Bailey's Pond and the Truck Stop. When asked about the truck stop they told her they do not have a plan for the truck stop. She cautions the town to move forward very carefully.

2006-115 An Order to Increase the Exemption Amount of Qualified Applicants – Mayor Kezer sponsor cont.

President Lawrence read 2006-115 into the record.

Councilor Brennick read the Finance Committee recommendation to approve the 2006-115 as submitted.

President Lawrence closes the public hearing on 2006-115

Councilor Benson moves the recommendation of the Finance Committee to approve 2006-115 as submitted, Councilor Pinierio second. Roll Call Voted – Unanimous

2006-116 An Order to hold the Annual Classification Hearing – Mayor Kezer sponsor
President Lawrence reads 2006-116 into the record and opens the public hearing.

Rebecca M. Munroe, 39 Main Street – Ms. Monroe is the owner of Pilates at the Millyard and the commercial unit she operates out of. Her annual tax bill on her building has increased 40.3% from fiscal 2004 to 2006. She believes if there is an addition 25% added to this increase the commercial rents in Amesbury are going to far exceed what the market in Amesbury can handle. She is asking for the vote to be postponed until a thorough impact and usage analysis can be conducted to determine how the numbers will really change if the split is implemented.

Louis Rubenfeld, 39 Pleasant Valley Road - Mr. Rubenfeld supports the single tax rate and hopes that Amesbury will follow Newburyport and keep a single tax rate.

Mayor Kezer – Mayor Kezer wants everyone to look at the long term health and viability of the community. He reminds the members of the council that they represent the community of Amesbury and that it consists of both residents and businesses. Most of the business owners attending the meeting are also residents of Amesbury, people who took a personal risk for the future of Amesbury. He states there has been a lot of talk about why the tax rate should be split including; business haven't been moving to Amesbury with a single rate so it shouldn't matter and that the job being done by the Assessors is unfair in the sense that the business are getting a break and the residents are not. He objects to that argument in the sense that the Board of Assessors is very professional and if that were true in Amesbury then it would be true through out the entire state. He rejects the argument that there is a fairness issue in the means of assessing businesses relative to residents. He has also heard the argument that the reason for the increase shift onto the residents rather than the businesses is because the values have changed. The residents values are going up and the business values are not. He states any short analysis done is primarily driven by the number of housing units going up and the number of business units going down. A lot of the commercial/industrial properties are flipping to residential. Those are the real drivers. In looking at the future for Amesbury he says businesses are not kicking down the doors to come to Amesbury yet, but it is happening. When he speaks to people that haven't been to Amesbury in the last five years and they drive through the downtown the response is; wow what are you doing. He recently read an article in Boston.com that just come out on November 25th and the title states "Route 495 Commercial/Industrial Market Picks Up" It talked about how our region is now becoming the hot region of the state, the 495 corridor and the 128 corridor. He states what is interesting is that there is a quote from Tom Cheatem, President of the North Shore Technology Council, the council that does the ratings of municipalities through Massachusetts as to who is business friendly and who is not, in the article that one of the attractions of the Route 495 area is its convenience for employees. For example he said "Amesbury is particularly well situated because it is within commuting distance of both New Hampshire and Maine where housing costs are significantly lower. The point is; Amesbury is on their map as the place to start going to for business. Word is now out that Amesbury is a desirable location for businesses. The worst thing the town could do right now is drive a dagger through the heart of the momentum that is

happening in the downtown. We do not want to send a message out to the larger world that we are not business friendly. We need to have our businesses grow, keep the downtown vibrant and do the right thing relative to growth, development and the master plan. The way to keep the pressure off the residential taxes is to grow the commercial/industrial base, not shrink or discourage it. He states he just received an e-mail from the MVPC in regard to a large scale developer looking for a spot fairly soon and there are a couple of areas in Amesbury that may be attractive to them. He also believes that by taking the recommendation of the Finance Committee for 125 and compromising to 115 is not a win. The issue is not by how much you are going to split the rate. The real question is are you or are you not going to split the rate. He wants the message to be Amesbury is on the move, it's growing, it's vibrant and we welcome good healthy development. He wants to make absolutely clear his position, though he doesn't have a vote or a say, this is the wrong time to be splitting the tax rate for Amesbury, let's keep what we have going, going in the right direction.

Charlie Cullen, 16 Fairway Drive – Mr. Cullen urges the council to maintain the single tax rate. He believes everyone agrees taxes are too high. There is a disagreement on how to fix the high taxes. He believes the focus should be on expanding the tax base and continuing the worthy initiatives of economic development to lessen the burden over time.

Greg Jardis, owner Amesbury Industrial – Mr. Jardis has owned and operated Amesbury Industrial for 31 years. He asks the council to seriously consider a single rate.

Maura Lynch, 12 Unicorn Circle – Ms. Lynch states when she came to town 14 years ago the downtown was boarded up and the businesses that were downtown were not desirable to go to. She sees Amesbury as a community where homeowners and business owners work together. The businesses downtown helps fund various community activities. She urges the council not to split the tax rate.

James Shanley, business owner 23 Noel Street – Mr. Shanley is a member of the Newburyport Municipal Council and they voted to keep the single tax rate. They feel they have a better advantage with a single tax rate as opposed to a split because they don't have sufficient amount of commercial properties to make a meaningful reduction in the residential tax rate. As a small business owner in Amesbury he is working on a very thin margin. He urges the council to vote for a single tax rate.

Peter Mertinooke, 49 Powow Street, General Manager Amesbury Group – As a homeowner keeping a couple hundred dollars is very attractive. As a Manager of Amesbury Group, which is one of 15 operating in the world owned by a holding company in London, he has to vie for capital and resources against the other factories. The General Managers have to carry out capital plans, some of which require looking into the communities, their business climate and their receptiveness toward industrial growth. Some cities and towns offer tax incentives which he has to compete with. Nothing speaks louder to an industry leader who is interested in expansion than a city that proclaims; we tax commercial/industrial at a rate 25% high than residential property. He urges the council to vote no on a split tax rate.

Jay Gould, owner Hamilton Gateway Building and Flatbread Company – Mr. Gould is the owner of the Hamilton Gateway building, Flatbread Company and the Counting House. He feels that because the residents of Amesbury voted to buy Woodsom Farm it sent a message that they don't care only about taxes; they care about the whole town as a home.

Liz Frame, owner Fancy Schmancy, 41 Main Street - Ms. Frame is the VP of the Downtown Business Association. She feels the downtown is the core of a community, surrounded by the schools, parks, churches and homes. She is constantly reminded by her customers that it has been a long time since downtown Amesbury was very much alive with restaurants and specialty shops. Ms. Frame believes in Amesbury and wants to be a part of its resurgence. She urges the council not to split the rate.

Jay Howlick, 49 Fern Ave. – Mr. Howlick owns a business in Newburyport and is looking to expand in Amesbury. He states changing the tax rate will influence his decision to locate in Amesbury. He feels it sends a message that Amesbury does not care about business. He urges the council very strongly to keep a single tax rate.

Bill Percey, 48 Cedar Street – Mr. Percey urges the council to keep a single tax rate. He feels because there is only a 12% commercial/Industrial base vs. 78% residential there is not enough density in order to really give a proper tax break to the residents. He would like to see Amesbury work on economic growth and expanding the commercial/industrial base.

Glen Cook, 201 Market Street – Mr. Cook feels it is not the right time to split the rate. He urges the council to support a single tax rate.

Melissa McGrail, 14 Macy Street – Ms. McGrail, speaking as a homeowner, does not mind paying a little extra in taxes to help support the businesses. She is also representing Rita and Maxwell of Maxwell's Jewelers. They opened in 1954 and they vigorously object to bearing anymore of a tax on anything. They have a sales tax they have to contend with when most people decide to drive to tax free New Hampshire. They urge the council to make Amesbury retail friendly and develop an atmosphere for young entrepreneurs to succeed. Closing may be the only option for them.

James Thieverge, 11.5 Sanborn Ter. – Mr. Thieverge agrees with a split rate.

Patricia Perry, 3 Hollander St. – Ms. Perry is the owner of Carriagetown Chocolates. She states that if the taxes go up for her landlord her rent will go up and most likely result in her closing her door. She urges the council not to split the rate.

Mark Friery, co-owner Powow River Grill – Mr. Friery states that businesses in downtown add vibrancy to a community that everyone needs to be mindful of. In addition to paying taxes they also pay payroll, vendors all of which recycles in a community. If the council votes a split tax rate his struggle to be able to continue to be viable in Amesbury will get more difficult. His business will only thrive if there are other businesses to complement it and they are thriving.

David Frick, 14 Maudsley View Lane – Mr. Frick states there has been no growth in commercial/industrial properties and an actual decline if you look at the actual buildings and increased residential by 65% he does not agree with a split at this time.

Ray Shockey, 4 Boie Ave – Mr. Shockey states that as Executive Director for the Alliance for Amesbury he has been given a refreshed and renewed appreciation of the courage and determination of the small retail and business owner. The larger businesses are coping with globalization and outsourcing and are not the cash cows some believe them to be. The business community constantly contributes to community activities. He feels they took a chance on Amesbury when it needed it most. Now is the time to encourage business growth. He has not seen numbers to

support that a lot of home owners are in dire straights regarding property taxes. He urges the council not to split the rate.

Larry Kelcourse, 14 Merrimac Street – Mr. Kelcourse states that if his taxes go up \$11,000 he will have to pass that on to his customers just like all the other businesses. This will affect the cost of pizza, ice cream, nuts and bolts, bowling and restaurants. Any tax relief the homeowner receive will offset by the increased costs of doing business in town.

Kathleen Burman, 77 Whitehall Rd. – Ms. Burman would rather live in a community that is alive and vibrant. She would gladly give up \$200 in tax relief to keep the businesses open downtown.

Pam Gilday, 25 Monroe Street – Ms. Gilday feels the council has already made up their mind to split the tax rate. She feels it is imperative to speak to people who live and breathe local business everyday. She asks that the council speak to Sally O'Rourke at the Haverhill Chamber, Bill Percy, former chairman Newburyport Chamber and Ray Shockey, Director Amesbury Alliance. Ms. Gilday asks the council not to vote tonight and go back to look at more data and have more conversations.

Curtis Wallace, 91 S. Hampton Rd. – Mr. Wallace believes if the tax rate is split it not a decision the town will recover from in one, two or three years. It will take eight to twelve years to recover from a split tax rate if the businesses leave. He believes in Amesbury and hopes the council will not split the tax rate.

Mike Greaney, 50 Orchard Street – Mr. Greaney feels it is time to give the homeowners some tax relief and urges the council to vote for a split rate.

Rosalin Acosta, 9 Fairway Drive – Ms. Acosta feels splitting the tax rate is a mistake and an impediment to attracting businesses to town. Since moving to Amesbury in 1991 this is the first time there is vibrancy in the downtown. Amesbury needs to focus on a progressive vision not one that satisfies the immediate pockets of a few. She encourages the council to think about the negative impacts a split rate will have on the town.

Recess 9:50 – 10:00

John Brooker, 2 Vine Street – Mr. Brooker has seen the transformation in downtown. He believes if the council goes with a split rate that would mean less businesses to tax and the burden will fall right back on to the homeowners in two to four years.

Nick Costello, 182 Whitehall Rd. – Mr. Costello feels the best way to stabilize the tax rate is to broaden the tax base. A single tax rate will go a long way when trying to encourage businesses to come into town. A split rate sends the wrong message.

Claude Gonthier, Kimball Rd. – Mr. Gonthier is offended that we would play one classification against the other. He urges the council to vote for a single tax rate.

Robert Gonthier, 8 Manila Ave. – Mr. Gonthier does not believe the solution to higher taxes is a split rate. The town has a revenue problem and that can be solved by reducing spending and broadening the tax base. He urges the council not to split the rate.

James Chandler, 417 Main Street – Mr. Chandler believes a single tax rate is wrong because residential properties sell more frequently than commercial therefore the assessors can prove the values have gone up so the assessments go up. Commercial values don't go up like they should. He would support a split tax rate.

Gerry Dion, 44 Huntington Ave. – Mr. Dion supports a split tax rate to give some tax relief to the homeowners.

Ed Lynch, 178 N. End Blvd, Salisbury, MA - Mr. Lynch does not support a split tax rate; he urges the council to reconsider.

President Lawrence closes the public hearing.

Councilor Brennick reads the Finance Committee recommendation:

- 2006-116 1. Motion was to recommend a 1.25 split tax rate – 5-Yes, 1-No
 2. Motion to recommend the Council not vote an open space discount as this community does not have any properties classified as such.
 5-Yes, 1-Abst
 3. Motion to recommend the Board of Assessors recommendation to not vote a residential exemption. Unanimous
 4. Motion to recommend the Board of Assessors recommendation to not vote a Commercial Exemption. Unanimous

Councilor McClure thanked everyone for coming out to speak on the tax rate. She did not take the decision on the tax rate lightly; it has taken a lot of discussions with a number of residents. Her mind was not made up before the meeting. After listening to all of the speakers and how much the business community does for Amesbury she did change her mind some what however; she does believe the residents are every bit as generous.

Councilor Pinerio believes that spending has got to stop and that starts with the Mayor's office.

President Lawrence thanks everyone in their support for a split tax rate and the opposition. He has looked at the facts for both sides. He does not agree with the recommendation of the Finance Committee however he does support a lesser split. He believes the town does not have a revenue problem, it has a spending problem. He calls for everyone to move forward and continue to work together.

Councilor Benson will be voting against the split rate, he feels it is pretty clear it is a bad idea. He agrees the taxes are too high but disagrees that a split tax rate is the remedy. He states the group advocating a split ran on a platform of cutting spending and during budget time they didn't do that to any substantial degree and now they want to take the easy way out. He says to them; shame on you.

Councilor King thanks everyone for coming to the meeting saying it has been a wonderful evening of support for the community and hopes the response keeps up as the year goes on and more and more challenging issues come up. She does not feel that a split tax rate addresses the inadequacies or discrepancies in the assessments. She goes on to say there are 351 cities and towns in Massachusetts and only 99 communities opted for a split. It is a tool to be used in communities with a large business base. Councilor King asks the councilors who will be supporting a split rate; whose

data they are using to make an educated well thought out decision. She knows there has been data used in the community that for the most part has been rebutted. She also questions who they are representing. She notes that there are two ex-directors of the ATA and three or four ardent supports. She feels she has to publicly ask if this is their own personal agenda or something that they believe is in the best interest of the community.

Councilor Pinierio asked Councilor Benson why he didn't make more cuts in the budget. Councilor Pinierio asked Councilor King where she got her data.

Councilor McClure motions to amend the Finance Committee recommendation down to .978554 minimum residential factor to support a shift of 115, Councilor Thone second.

Councilor Lavoie thinks there is a perception among some that the assessment of commercial/industrial is flawed however, it is just not so. He states there are three methods of assessing real estate. 1. Comparable sales, which works with residential because of the number of sales. 2. Replacement value 3. Income, which is the only one that works with the CIP grouping; property is only worth what you can use it for. He feels it is a misperception that the state let the split occur to correct improper assessment of CIP. It was the big cities, especially Boston exercising their political will to let the split occur. There are only 99 of 351 towns and cities that split the rate. Amesbury is a heavily residential community just like Newburyport and they did not split their rate. He feels it is just simply wrong to give unequal treatment to taxpayers whether residential or CIP class; there should be one rate. He states at tonight meeting there was only 4 out 30 speakers that have said remember the residential tax payer. Prior to the meeting he had no constituents contact him saying they need relief for the residential tax. He does not deny there are hurting residential tax payers. It is just bad policy, he will not vote to support any split.

Councilor Lindstrom states she spent 8 years of her life trying to get the downtown and the arts community going. Last year she stood at the podium and said she didn't think it was a good time to do the split. She did not like it when people came to the podium and said that she had her mind made up before she came tonight, she listened to everyone. What she heard tonight was businesses saying help me and what she heard speaking to people in the market and on the street, on the phone and in her e-mail aside from the business people that came tonight were the residents who came to her and said I can't afford my taxes, something has to be done. She does not see the business people during budget hearings or finance committee meetings. She sees them here when it is put on the table that they might have to pay a little bit more. To think that she made up her mind, to think that she doesn't care and to think that she has an agenda after all she had done for downtown really insults her.

Councilor McClure motions to amend the Finance Committee recommendation down to .978554 minimum residential factor to support a shift of 115, Councilor Thone second.
Roll Call: 6 Yes, 3 No (King, Lavoie, Benson)

Councilor Lavoie moves that the council vote not to create an open space discount, Councilor Brennick second. Voted – Unanimous

Councilor Lavoie moves that the council not vote a residential exemption, Councilor Brennick second Voted – Unanimous

Councilor Lavoie moves that the council vote not to create a commercial exemption, Councilor Brennick second – Voted – Unanimous

Councilor Benson motion to adjourn, Councilor McClure second – Voted Unanimous

Respectfully submitted,
Asst. Town Clerk